

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: TENTATIVE DESIGNATION OF REDEVELOPER
BUILDING #62 AT THE CHARLESTOWN NAVY YARD
IN THE CHARLESTOWN URBAN RENEWAL AREA
PROJECT NO. MASS. R-55

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the Charlestown Urban Renewal Area, Project No. Mass. R-55, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, NewMediCo Associates, Inc. has expressed an interest in and has submitted a satisfactory proposal for the development of Building #62 at the Charlestown Navy Yard in the Charlestown Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That NewMediCo Associates, Inc. be and hereby is tentatively designated as Redeveloper of Building #62 in the Charlestown Urban Renewal Area subject to:

- (a) Publication of all public disclosure and issuance of all approvals required by the Massachusetts General Laws and Title I of the Housing Acts of 1949, as amended;
- (b) Submission by the Redeveloper to the Authority within ten (10) days of a letter in which:
 - (i) The Redeveloper agrees to begin substantial exterior and interior construction on or before March 8, 1986 for clean out purposes and to make the building weather-tight;
 - (ii) That the Redeveloper and the Authority agree to use their best efforts to execute a long term lease in a form satisfactory to the Authority by January 8, 1987; further, the Redevelopers agree by this letter of intent to negotiate in good faith a Lease Commencement Agreement and a Payment in Lieu of Taxes

Agreement in a form satisfactory to the Authority by July 1, 1986, and furthermore that the Director is authorized to execute said Agreement. Said payments shall commence April 1, 1986. This minimum payment will continue and be incorporated in the form of the final lease. It is understood by the Redeveloper that the lease shall contain other provisions regarding the rental in addition to the payment of taxes incorporated in the letter of intent.

(iii) The redeveloper agrees to submission within 270 days in a form satisfactory to the Authority of:

- (a) Evidence of the availability of necessary equity funds, as needed; and
- (b) Evidence of firm financial commitments from banks or other lending institutions; and
- (c) Final Working Drawings and Specifications; and
- (d) Proposed development and rental schedule.

2. That the leasing of Building #62 is the appropriate method of making the land available for redevelopment.

3. That the Director is authorized to execute a license with the developer to enter upon this Authority owned property in the Charlestown Navy Yard as the Director determines proper for immediate clean out and making the building weather tight prior to the execution of a formal lease agreement. Said license to include a "Hold Harmless" idemnification of the Authority and such other condition as the Director deems proper and in the best interest of the Authority.

4. That it is the firm intent of the Authority to revoke this designation if the above referred to conditions are not complied with.

5. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

BUILDING #62 CHARLESTOWN NAVY YARD LEASE COMMENCEMENT AGREEMENT SUMMARY

Within 30 days of Tentative Designation, the designated developer and the Boston Redevelopment Authority (BRA) will enter into a Lease Commencement Agreement containing the conditions of Final Designation. The Lease Commencement Agreement will be based on the terms and conditions specified below, which will become effective upon Final Designation.

PROPERTY: Building #62 at Charlestown Navy Yard, as designated by Lessor

LESSOR: Boston Redevelopment Authority

LESSEE: New Medico Associates, Inc.

TERM: 65 years

RENEWAL: None

FINAL DESIGNATION: Not more than 270 days from the execution of the Lease Commencement Agreement, subject to extension by mutual agreement of Lessor and Lessee.

LEASE COMMENCEMENT DATE: Simultaneous with Final Designation.

RENT:

- A. Option Payment: \$.15 per GSF per month, to increase by \$.15/GSF per month at each 3 month interval, will commence one month from Lease Commencement Date and will continue until the start of construction.
- B. Base Rent During Construction: 50 percent of the operational period Base Rent, or \$.50 per GSF per annum payable monthly in advance, will commence at the start of construction and will continue until the receipt of a certificate of occupancy.
- C. Base Rent: \$1.00 per GSF per annum payable monthly in advance, will commence one month after receipt of a certificate of occupancy.
- D. Percentage Rent: 15 percent of annual net cash flow payable monthly in advance based on a budget prepared annually and submitted to Lessor not less than 60 days prior to the beginning of each fiscal year. Annual net cash flow shall be calculated by subtracting the following items from effective gross income: certified operating expenses, real estate taxes, Base Rent, and an annual amount equal to 12.5% of certified total project costs, or 10% if IRB financing is utilized. Within 90

days of the end of each fiscal year Lessee shall submit a calculation of Percentage Rent for that year certified by a CPA acceptable to Lessor and shall make a payment or receive a credit of Percentage Rent based on the certified statement. Until the annual Percentage Rent amount is certified, and payments and credits are allocated, the monthly Percentage Rent payment in any fiscal year shall be no less than one-twelfth of the fiscal year.

**MAINTENANCE
FEE:**

\$.05 per GSF of the improvements to the Property per annum will commence one month after receipt of a certificate of occupancy and thereafter is subject to an escalation formula for the remainder of the lease. All redevelopers within the Historic Monument Area of the Charlestown Navy Yard will be required to contribute this amount to maintain the public areas therein.

SECURITY FEE:

\$.05 per GSF of the improvements to the property per annum will commence one month after receipt of a certificate of occupancy and thereafter is subject to an escalation formula for the remainder of the lease. All redevelopers within the Historic Monument Area of the Charlestown Navy Yard will be required to contribute this amount for building security in the Navy Yard.

**CHARLESTOWN
NEIGHBORHOOD
CONTRIBUTION:**

\$.50 per GSF of the improvements to the Property payable simultaneous with the Lease Commencement Date. All redevelopers within the Historic Monument Area of the Charlestown Navy Yard will be required to contribute this amount for community and social activities. Contributions will be distributed in concurrence with the Charlestown Advisory Committee.

**DESIGN
GUIDELINES
(attached).
REVIEW**

A. Lessee must adhere to the Design Guidelines issued September 1984 as part of the request for proposals AND

B. Lessee must adhere to BRA Design Review Procedures (attached).

C. Lessee must adhere to the BRA Harbor Park Plan.

D. Lessee acknowledges Design Review Procedures will encompass BRA approval of both exterior and interior building design.

SUBORDINATION: Lessor's fee interest in the Property will not be subordinated. Lessor's Base Rent will not be subordinated. Percentage Rent will not be subordinated. In the event of a foreclosure, the Lessor may defer Percentage Rent for a period of time sufficient to allow lender to cure.

FINANCING: Any initial permanent financing may not exceed certified total project costs.

REFINANCING: Lessor will receive as Additional Rent 15% of net refinancing proceeds upon refinancing.

SALE: Lessor will receive as Additional Rent 15% of net sales proceeds upon sale.

ALIENATION: Lessee may not dispose of its interest in the project for five years after issuance of a final certificate of occupancy. Thereafter, Lessee may not dispose of its interest in the project without the written consent of Lessor, such consent not to be unreasonably withheld.

**ESTOPPEL
CERTIFICATE:** Lessor agrees to provide any lender that notifies the Lessor of its mortgage interest with an Estoppel Certificate granting such lender notice of default and right to cure as may reasonably be required.

**CONSTRUCTION
OF
IMPROVEMENTS:** Lessee must make improvements on the Property in accordance with plans and specifications approved by Lessor as part of Lessee's Final Designation within 18 months of such Designation.

**CONSTRUCTION
OF PUBLIC
IMPROVEMENTS:** Lessee must make improvements to the open space between Buildings 60, 62, and 96 and agrees to expend an amount not less than \$544,600 to accomplish such improvements. Completion of such improvements must adhere to the time schedule specified in the preceding section "Construction of Improvements." The design and construction of the improvements will be subject to BRA design review and approval.

**BOOKS AND
RECORDS:** Lessee must provide Lessor with a statement of project costs computed in accordance with the Land Lease, certified by a CPA, and approved by the Lessor, within 120 days of issuance of a final certificate of occupancy. Lessor will use industry standards as a guide to Lessor's approval.

In addition to the reports required for the Percentage Rent calculation, Lessee must provide Lessor with a statement of operation certified by a CPA, and approved by the Lessor, within 90 days of the close of each fiscal year. Lessor will use industry standards as a guide to Lessor's approval.

**AFFIRMATIVE
ACTION:**

Lessee must comply with the Mayor's Executive Order concerning Affirmative Action goals for construction employment, permanent employment and minority business contracting. The Lessor will assist the Lessee in meeting these goals.

**REAL ESTATE
TAXES:**

The Property will be fully taxable by the Assessor of the City of Boston at applicable rates.

LIABILITY:

Lessor and the City of Boston will not incur any expenses in the development of the Property. The Property will be leased in an "as is" condition. Lessee will pay for the cost of any utility relocation not paid by any utility company.

PLEASE NOTE: THERE IS NO PAGE 4.

PART I

HUC-6004
(9-67)

REDEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE¹

A. REDEVELOPER AND LAND

1. a. Name of Redeveloper:

Building 62 Limited Partnership

b. Address and ZIP Code of Redeveloper:

150 Lincoln Street, Boston, MA 02111

c. IRS Number of Redeveloper:

2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to the purchase or lease of land from

Boston Redevelopment Authority

(Name of Local Public Agency)

in Charlestown Urban Renewal Area

(Name of Urban Renewal or Redevelopment Project Area)

in the City of Boston, State of Massachusetts
is described as follows²

Building 62, Charlestown Navy Yard

3. If the Redeveloper is not an individual doing business under his own name, the Redeveloper has the status indicated below and is organized or operating under the laws of Massachusetts

☐ A corporation.

☐ A nonprofit or charitable institution or corporation.

☒ A partnership known as Building 62 Limited Partnership

☐ A business association or a joint venture known as

☐ A Federal, State, or local government or instrumentality thereof.

☐ Other (explain)

4. If the Redeveloper is not an individual or a government agency or instrumentality, give date of organization to be organized

5. Names, addresses, title of position (if any), and nature and extent of the interest of the officers and principal members, shareholders, and investors of the Redeveloper, other than a government agency or instrumentality, are set forth as follows:

¹If space on this form is inadequate for any requested information, it should be furnished on an attached page which is referred to under the appropriate numbered item on the form.

²Any convenient means of describing the land (such as block and lot numbers or street boundaries) is sufficient. A description by metes and bounds or other technical description is acceptable, but not required.

- a. If the Redeveloper is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock¹
- b. If the Redeveloper is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the Redeveloper is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.
- d. If the Redeveloper is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the Redeveloper is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

NAME, ADDRESS, AND ZIP CODE

POSITION TITLE (if any) AND PERCENT OF INTEREST OR
DESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

Charles Brennick
80 Sea Road
Rye Beach, NH 03871

General Partner

6. Name, address, and nature and extent of interest of each person or entity (not named in response to Item 5) who has a beneficial interest in any of the shareholders or investors named in response to Item 5 which gives such person or entity more than a computed 10% interest in the Redeveloper (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the Redeveloper, or more than 50% of the stock in a corporation which holds 20% of the stock of the Redeveloper):

NAME, ADDRESS, AND ZIP CODE

DESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

7. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 5 or Item 6 above:

B. RESIDENTIAL REDEVELOPMENT OR REHABILITATION

(The Redeveloper is to furnish the following information, but only if land is to be redeveloped or rehabilitated in whole or in part for residential purposes.)

¹ If a corporation is required to file periodic reports with the Federal Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, so state under this Item 5. In such case, the information referred to in this Item 5 and in Items 6 and 7 is not required to be furnished.

1. State the Redeveloper's estimates, exclusive of payment for the land, for:

- a. Total cost of any residential redevelopment. \$
 - b. Cost per dwelling unit of any residential redevelopment. \$
 - c. Total cost of any residential rehabilitation \$
 - d. Cost per dwelling unit of any residential rehabilitation \$
- N/A

2. a. State the Redeveloper's estimate of the average monthly rental (if to be rented) or average sale price (if to be sold) for each type and size of dwelling unit involved in such redevelopment or rehabilitation:

TYPE AND SIZE OF DWELLING UNIT	ESTIMATED AVERAGE MONTHLY RENTAL	ESTIMATED AVERAGE SALE PRICE
	\$	\$

N/A

b. State the utilities and parking facilities, if any, included in the foregoing estimates of rentals:

N/A

c. State equipment, such as refrigerators, washing machines, air conditioners, if any, included in the foregoing estimates of sales prices:

CERTIFICATION

I (We) Charles Brennick

certify that this Redeveloper's Statement for Public Disclosure is true and correct to the best of my (our) knowledge and belief.¹

Dated: September 25, 1985

Dated: _____

Charles Brennick
Signature

Signature

Chairman, New Medico Associates, Inc.
Title

Title

150 Lincoln Street, Boston, MA
Address and ZIP Code

Address and ZIP Code

¹ If the Redeveloper is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.
² Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or more than five years, or both, for knowingly and willfully making or using any false writing or document, known to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department or the United States.

M E M O R A N D U M

MARCH 6, 1986

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: SUSAN ALLEN, ASSISTANT DIRECTOR
JAMES ENGLISH, PROJECT COORDINATOR
WILLIAM D. WHITNEY, DEPUTY ASSISTANT DIRECTOR
PAUL REAVIS, CHIEF SENIOR ARCHITECT

SUBJECT: CHARLESTOWN NAVY YARD
BUILDING 62
TENTATIVE DESIGNATION OF REDEVELOPER

As you are aware, a Request for Proposals was issued on August 12, 1985 for four buildings at the Charlestown Navy Yard. As a result of the advertisement the Authority received four proposals for the redevelopment of Building 62 (42,820 GSF).

As a result of thorough staff evaluation of the development program, financial terms, design concepts and strength of the development team, it is recommended that New Medico Associates/Kendall Development Corporation Development Team be tentatively designated as developer of Building 62. The developer will be responsible for the restoration and renovation of the exterior of the building in accordance with the Authority's Rehabilitation Guidelines as specified in the Developers Kit for this building. The developer will be required to renovate the building's interior in accordance with plans submitted to and approved by the Authority.

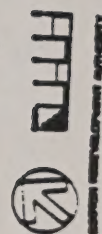
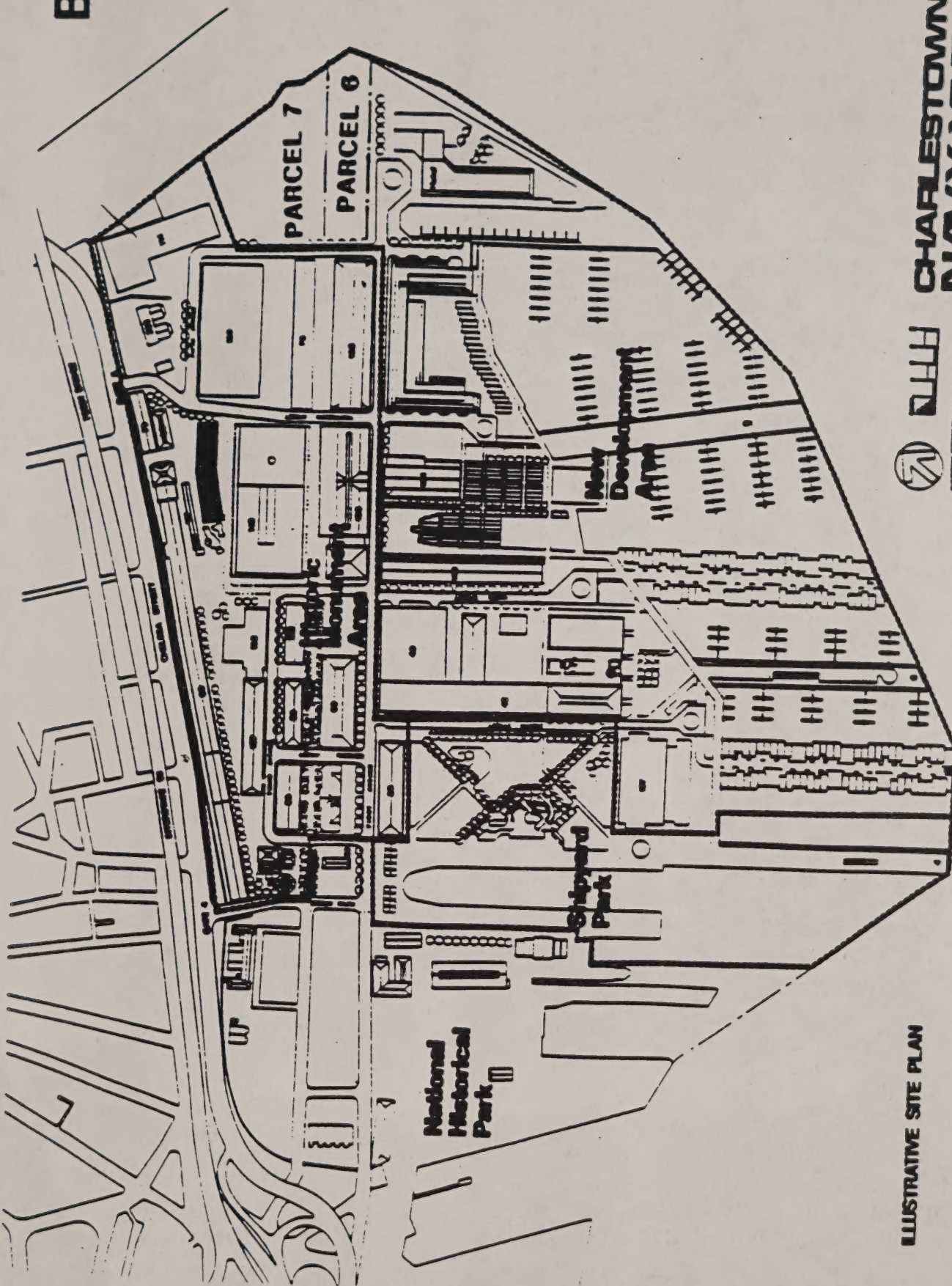
New Medico Associates and Kendall Development Corporation have proposed a \$4 million rehabilitation of this building into approximately 34,000 NSF of office space. New Medico, the largest privately held nursing home and rest care center operator in the United States, intends to occupy approximately 50% of the space in the building for use as a corporate headquarters. New Medico's reuse of the building will produce approximately 175 new jobs in the building. The developer also proposes to fund an impressive series of exterior landscape improvements, at a cost of \$544,600, more than twice that proposed for site improvements for Building 62 by any other development team. The improvements include a granite paved, tree lined plaza in the area between Buildings 60, 62, and 96.

New Medico's proposed renovation minimizes alteration to its historic character. From the new plaza, one will enter the offices through a full height lobby designed to expose the existing structural truss and clerestory monitor. The preliminary interior design maximizes activity at the windows by internalizing circulation, thereby enlivening the building exterior.

New Medico intends to finance the rehabilitation project internally with funds invested by its Chairman, Charles Brennick, Sr., and/or affiliated corporation and partnerships owning several privately held nursing homes which presently are not mortgaged. A substantial construction budget (\$50/GSF for rehabilitation and \$70/GSF for new construction) is provided with office rents projected at \$25/NSF. As New Medico will be the prime tenant in the building, the income projections appear attainable.

The developer has agreed to terms and conditions which are very favorable to the Authority. The developer will pay a base rent of \$1.00 per gross square foot annually as well as a payment of 15% of net cash flow. In addition the developer will pay \$.05 per square foot to the Common Area Maintenance Fund annually, \$.05 per square foot for security and make an additional one time payment of \$.50 per square foot to support worthwhile social and neighborhood activities in the Charlestown community. Also, the property will be fully assessed for tax purposes, generating over \$101,000 annually to the City of Boston.

As both the developer and the Authority are desirous of beginning this project as soon as possible, it is further requested that the Director be authorized to execute an Early Entry Agreement with the developer, similar to those executed in the past and a Lease Commencement Agreement in accordance with the terms and conditions outlined in the attached summary.



CHARLESTOWN
NAVY YARD

ILLUSTRATIVE SITE PLAN

